

## Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-14 EUR-12 EA-09 IO-14 ISO-00  
COME-00 AGRE-00 TRSE-00 STR-04 CIAE-00 DODE-00  
INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02 /099 W  
-----001549 131531Z /73

R 121736Z AUG 77

FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 7194  
INFO AMEMBASSY BRASILIA  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO  
AMEMBASSY DAR ES SALAAM  
AMEMBASSY NAIROBI  
AMEMBASSY SAN SALVADOR  
AMEMBASSY GUATEMALA  
AMEMBASSY MEXICO  
AMEMBASSY MANAGUA  
AMEMBASSY BOGOTA  
AMEMBASSY YAOUNDE  
AMEMBASSY JAKARTA  
AMEMBASSY ABIDJAN  
AMEMBASSY KINSHASA  
AMEMBASSY ADDIS ABABA  
AMEMBASSY SAN JOSE  
AMEMBASSY CANBERRA  
AMEMBASSY BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY STOCKHOLM  
AMEMBASSY BERN  
USMISSION GENEVA  
AMEMBASSY PORT MORESBY  
AMEMBASSY CARACAS  
AMEMBASSY PANAMA

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USEEC AND EMBASSY

FOR: EB/TRP - MR. THOMAS O'DONNELL

E.O. 11652: N/A

TAGS: ETRD, ICO, EPAP

SUBJECT: COFFEE -- PRESS REPORT ON INTERBRAS PURCHASES

1. SUMMARY. AN ARTICLE IN AUGUST 11 EDITION OF THE GUARDIAN REPORTS A DEMAND BY A LABOUR M.P. FOR AN INVESTIGATION OF "BRAZILIAN COFFEE COWBOYS" RECENT OPERATIONS ON THE LONDON TERMINAL MARKET. BALANCE OF ARTICLE IS A RATHER SYMPATHETIC EXPLANATION OF INTERBRAS' ACTIVITIES.

2. PERTINENT EXCERPTS FROM THE ARTICLE BY ROBIN STAINER AND ENTITLED "AN M.P. ATTACKS COFFEE COWBOYS" FOLLOW:  
"AN INVESTIGATION WAS URGED YESTERDAY INTO ALLEGATIONS THAT "BRAZILIAN COFFEE COWBOYS" ARE BUYING UP THOUSANDS OF TONS OF COFFEE ON THE LONDON MARKET. MR. GWILYM ROBERTS (LABOUR M.P. FOR CANNOCK) WANTS THE GOVERNMENT TO LOOK AT THE WHOLE MECHANISM OF COFFEE AND TEA MARKETING WHOSE ABUSES, HE CLAIMS, ARE HITTING CONSUMERS".

THE ARTICLE CONTINUES:

"IN FACT THE BRAZILIAN COMPANY WAS DOING NO MORE THAN LEADING TRADING COMPANIES, LIKE NESTLE, CLAIMED ONE TRADER. HE CALLED THE ATTACK ON INTERBRAS "GEOGRAPHICAL PREJUDICE".

BRAZIL'S POLICY SINCE THE CATASTROPHIC 1975 FROSTS HAS BEEN TO EKE OUT AVAILABLE SUPPLIES TO BOTH THE DOMESTIC AND THE EXPORT MARKET. THIS WAS A SENSIBLE POLICY AS IT PREVENTED CONTROL OF THE WORLD MARKET FROM BEING TAKEN OVER BY INTERESTS IN CONSUMING COUNTRIES.

..... IT IS HOWEVER BY NO MEANS CERTAIN THAT INTERBRAS  
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WILL TAKE DELIVERY OF THE COFFEE BOUGHT IN LONDON SAY TRADERS.

IN SPITE OF RECENT SETBACKS IN PRICES - THE LONDON MARKET AT AROUND POUNDS 2,500 A TONNE YESTERDAY WAS POUNDS 1,700 BELOW THE MARCH PEAK - THERE IS BY NO MEANS A SURPLUS OF COFFEE IN THE WORLD ALTHOUGH ISOLATED POCKETS OF POOR GRADE COFFEE CAN BE PICKED UP RELATIVELY CHEAPLY."

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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